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UNCLAS SECTION 01 OF 02 HARARE 000920

SENSITIVE SIPDIS

AF/S FOR BRIAN WALCH
NSC FOR SENIOR AFRICA DIRECTOR MICHELLE GAVIN

E.O. 12958: N/A
TAGS: PREL PGOV ZI
SUBJECT: HARARE: AMBASSADOR'S MEETING WITH SWEDISH
AMBASSADOR

11. (SBU) SUMMARY: The Swedish Ambassador to Zimbabwe believes that the two keys to improvement of the situation here are economic stabilization and security sector reform. He is skeptical of improvement in the political situation, but thinks that SADC is taking a stronger position and South African President Zuma is not as supportive of Mugabe as his predecessor was. The West should take another look at the sanctions list within the next few months, and if there is some positive progress, consider removing some from it, especially parastatals. We should also consider adding to the list. While we should continue to point out the shortcomings and misdeeds of ZANU-PF, we should at the same time keep the door open for dialogue with them. END SUMMARY.

ECONOMY AND SECURITY ARE THE KEYS TO DEVELOPMENT

 $\P 2.$ (SBU) On November 23 I met with Swedish Ambassador to Zimbabwe Sten Rylander. Rylander has been at post for nearly four years and has nearly 30 years experience in southern African affairs. A strong proponent of political and economic development in Zimbabwe, he says that he has been frustrated in his efforts to get through to his contacts in ZANU-PF the importance of working to develop the country properly. The keys to positive development are economic stabilization and security sector reform. For the former, nothing will really happen until Reserve Bank of Zimbabwe (RBZ) Governor Gideon Gono is removed from that position. said he has spoken to Gono a number of times about this. Gono has said he would be willing to step down, but he is worried about his security. Also, Mugabe won't let him quit. To that end, Rylander believes that the recent rumor of Gono's selection to a position in the Manicaland ZANU-PF structure might be a positive sign, and a way for Mugabe to save face. If Gono moves to the new position it wouldn't look like Mugabe was caving to outside pressure. The fact that the SADC Troika and South African President Zuma have all indicated that Gono should be reassigned can't have been lost on Mugabe or the rest of the ZANU-PF leadership, but they have been recalcitrant up to now.

13. (SBU) On the issue of security sector reform, Rylander said that if this is not done right, nothing else will be effective. The EU is currently working with a group of Zimbabweans to craft a program that will remove the security chiefs as a threat to future reform, but it must be handled carefully. It will also, he said, take some time to take effect. He acknowledged the difficulty in having any contact with the more senior security officials, but said that it is important that there be contact if we are to know what they are thinking or have any hope of influencing them. This same

principle applies to everyone in government; which does not mean we stop criticizing them publicly when they misbehave.

A NEW LOOK AT SANCTIONS

14. (SBU) Rylander believes that it is only barely possible that there will be some positive development within the next few months. He said that the West needs to be prepared for the eventuality of such progress and that we need to take a fresh look at the sanctions list, especially the parastatals. If there is political movement in the right direction, we Q If there is political movement in the right direction, we need to be prepared to remove some from the list. He said that recently he met with Finance Minister Tendai Biti who informed him that there were eight entities on the list that are currently not funding ZANU-PF and are paying money into the treasury, and they should be delisted. There are even a few individuals on the list, Rylander said, who perhaps should be removed if there is political progress. We should also consider adding to the list any who have behaved in ways

COMMENT

15. (SBU) Rylander is hardly soft on the GOZ, and that is all the more reason that his view on reviewing the sanctions list and striving for dialogue with all parties is a valid point of view. His views reflect most of the EU embassies here who believe in the principle, "We can twist their arms,

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similar to those currently on the list.

but first we must take their hands." He has also pointed out a key factor: without some form of insurance for the security chiefs, there will be little chance of ever achieving true political reform. END COMMENT.

RAY